



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 PEARL STREET, SUITE 20-100
NEW YORK, NY 10004-2616

September 14, 2023

By ECF

Hon. Kenneth M. Karas
United States District Court
United States Courthouse
300 Quarropas Street, Chambers 533
White Plains, New York 10601-4150

Re: *U.S. Securities and Exchange Commission v. Bronson et al.*,
12-CV-6421 (KMK)

Dear Judge Karas:

The Securities and Exchange Commission ("SEC") writes to seek relief from the Court in connection with Defendant Edward Bronson's ("Bronson") violations of the Court's June 29, 2023 orders to submit a reasonable budget and reduce expenses to a reasonable level. DE 521, ("Order").

The Court ordered Bronson to submit a reasonable budget: **"IT IS FURTHER ORDERED THAT** within two (2) months of Defendant's release, he will submit a reasonable budget to the SEC...." DE 521. Instead, the "budget" is essentially a list of bloated expenses, totaling over \$52,000 per month – including \$35,500 in home mortgages, taxes and insurance alone.¹ Ex. 1 (budget to be filed under seal with the Court's permission). The expenses are, in general, neither reasonable, nor, in some instances, appropriately included in the budget.

A majority of the budget, over \$40,000, relates to home expenses, including three mortgages, taxes, and home insurance totaling over \$35,500 plus \$5,000 in utilities. Ex. 1. Health insurance, groceries and car insurance add approximately \$11,000 more. There is no doubt that the Bronsons could live in a home costing far less than \$40,000 per month.

The subordinate mortgages, totaling \$25,000, are improperly attributed to Bronson's budget. Dawn Bronson has long claimed the house as her own. Now that Dawn Bronson has drained the home of equity, Bronson paradoxically claims the mortgages as his expenses. If Dawn Bronson cannot pay these obligations, it does not follow that they should be paid ahead of the SEC through funds generated by Bronson. Thus, the Bronsons should be compelled to liquidate the home, or at the

¹ Although Bronson represented that his monthly expenses totaled \$49,540, the SEC calculated the total excluding the one time \$5,500 deposit for electricity arrears at over \$52,000.

very least, the amount Bronson may contribute should be capped. If Bronson is paying for the home, Dawn Bronson should be compelled to provide the SEC with a mortgage on the property so that the SEC can foreclose on the home if Bronson does not pay the SEC.

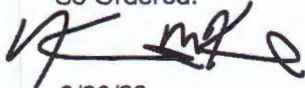
Next, Bronson includes in the budget a car that his son owns and pays for – at least in part – with funds from Rachmuth. As the car is not Bronson’s obligation, it is not appropriately included in his budget.

The SEC respectfully requests that the Court require Bronson to submit a reasonable budget, excluding the second and third mortgages as well as the car payment, along with steps that will be taken within a two-month timetable to accomplish the budget reductions. Further, Bronson shall provide a detailed explanation of steps he is taking to secure employment. Bronson shall provide status updates, filed on ECF, every two weeks.

Respectfully submitted,
s/ Maureen Peyton King

Mr. Bronson is to respond to this letter by 9/27/23

So Ordered.


9/20/23